

State of South Dakota

SEVENTY-SIXTH SESSION LEGISLATIVE ASSEMBLY, 2001

355E0503

SENATE BILL NO. 201

Introduced by: Senators Everist, Bogue, Daugaard, McCracken, Munson, Sutton (Dan),
Volesky, and Whiting and Representatives Brown (Richard), Brown
(Jarvis), Davis, Gillespie, Glenski, Konold, Madsen, Pederson (Gordon),
and Solum

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the exemption of
2 charitable gift annuities from insurance regulation.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 58-1-16 be amended to read as follows:

5 58-1-16. No provision of Title 58 applies to any qualified organization which issues a
6 charitable gift annuity within this state if the qualified organization has operated for a period of
7 five ten years and has a minimum of five hundred thousand dollars in unrestricted cash, cash
8 equivalents, or publicly traded securities, exclusive of the assets funding the annuity agreement
9 as of the date of the annuity agreement. For the purposes of this section, a charitable gift annuity
10 means a giving plan or method by which a gift of cash or other property is made to a qualified
11 organization in exchange for its agreement to pay an annuity. For the purposes of this section,
12 a qualified organization means an organization which is either domiciled in South Dakota; and
13 has its principal place of business in South Dakota or is qualified to do business in South Dakota
14 as a foreign corporation, and which is exempt from taxation under Section 501(c)(3) of the

1 Internal Revenue Code as a charitable organization and regularly files a copy of Federal Form
2 990 in the Office of the Attorney General or is exempt from taxation under Section 501(c)(3)
3 of the Internal Revenue Code as a religious organization or is exempt as a publicly owned or
4 nonprofit, privately endowed educational institution approved, accredited, or licensed by the
5 state board of education, the north central association of colleges and schools, or an equivalent
6 public authority of the jurisdiction where the institution is located.

7 Section 2. That chapter 58-1 be amended by adding thereto a NEW SECTION to read as
8 follows:

9 The provisions of this Act do not apply to any qualified organization that met the
10 requirements of § 58-1-16 prior to July 1, 2001.